

1 AN ACT concerning taxes.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Property Tax Code is amended by changing
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5
8 may be cited as the Property Tax Extension Limitation Law.
9 As used in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for
11 All Urban Consumers for all items that is published by the
12 United States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the
14 percentage increase in the Consumer Price Index during the
15 12-month calendar year preceding the levy year or (b) the
16 rate of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more
18 inhabitants or a county contiguous to a county of 3,000,000
19 or more inhabitants.

20 "Taxing district" has the same meaning provided in
21 Section 1-150, except as otherwise provided in this Section.
22 For the 1991 through 1994 levy years only, "taxing district"
23 includes only each non-home rule taxing district having the
24 majority of its 1990 equalized assessed value within any
25 county or counties contiguous to a county with 3,000,000 or
26 more inhabitants. Beginning with the 1995 levy year, "taxing
27 district" includes only each non-home rule taxing district
28 subject to this Law before the 1995 levy year and each
29 non-home rule taxing district not subject to this Law before
30 the 1995 levy year having the majority of its 1994 equalized
31 assessed value in an affected county or counties. Beginning

1 with the levy year in which this Law becomes applicable to a
2 taxing district as provided in Section 18-213, "taxing
3 district" also includes those taxing districts made subject
4 to this Law as provided in Section 18-213.

5 "Aggregate extension" for taxing districts to which this
6 Law applied before the 1995 levy year means the annual
7 corporate extension for the taxing district and those special
8 purpose extensions that are made annually for the taxing
9 district, excluding special purpose extensions: (a) made for
10 the taxing district to pay interest or principal on general
11 obligation bonds that were approved by referendum; (b) made
12 for any taxing district to pay interest or principal on
13 general obligation bonds issued before October 1, 1991; (c)
14 made for any taxing district to pay interest or principal on
15 bonds issued to refund or continue to refund those bonds
16 issued before October 1, 1991; (d) made for any taxing
17 district to pay interest or principal on bonds issued to
18 refund or continue to refund bonds issued after October 1,
19 1991 that were approved by referendum; (e) made for any
20 taxing district to pay interest or principal on revenue bonds
21 issued before October 1, 1991 for payment of which a property
22 tax levy or the full faith and credit of the unit of local
23 government is pledged; however, a tax for the payment of
24 interest or principal on those bonds shall be made only after
25 the governing body of the unit of local government finds that
26 all other sources for payment are insufficient to make those
27 payments; (f) made for payments under a building commission
28 lease when the lease payments are for the retirement of bonds
29 issued by the commission before October 1, 1991, to pay for
30 the building project; (g) made for payments due under
31 installment contracts entered into before October 1, 1991;
32 (h) made for payments of principal and interest on bonds
33 issued under the Metropolitan Water Reclamation District Act
34 to finance construction projects initiated before October 1,

1 1991; (i) made for payments of principal and interest on
2 limited bonds, as defined in Section 3 of the Local
3 Government Debt Reform Act, in an amount not to exceed the
4 debt service extension base less the amount in items (b),
5 (c), (e), and (h) of this definition for non-referendum
6 obligations, except obligations initially issued pursuant to
7 referendum; (j) made for payments of principal and interest
8 on bonds issued under Section 15 of the Local Government Debt
9 Reform Act; and (k) made by a school district that
10 participates in the Special Education District of Lake
11 County, created by special education joint agreement under
12 Section 10-22.31 of the School Code, for payment of the
13 school district's share of the amounts required to be
14 contributed by the Special Education District of Lake County
15 to the Illinois Municipal Retirement Fund under Article 7 of
16 the Illinois Pension Code; the amount of any extension under
17 this item (k) shall be certified by the school district to
18 the county clerk.

19 "Aggregate extension" for the taxing districts to which
20 this Law did not apply before the 1995 levy year (except
21 taxing districts subject to this Law in accordance with
22 Section 18-213) means the annual corporate extension for the
23 taxing district and those special purpose extensions that are
24 made annually for the taxing district, excluding special
25 purpose extensions: (a) made for the taxing district to pay
26 interest or principal on general obligation bonds that were
27 approved by referendum; (b) made for any taxing district to
28 pay interest or principal on general obligation bonds issued
29 before March 1, 1995; (c) made for any taxing district to pay
30 interest or principal on bonds issued to refund or continue
31 to refund those bonds issued before March 1, 1995; (d) made
32 for any taxing district to pay interest or principal on bonds
33 issued to refund or continue to refund bonds issued after
34 March 1, 1995 that were approved by referendum; (e) made for

1 any taxing district to pay interest or principal on revenue
2 bonds issued before March 1, 1995 for payment of which a
3 property tax levy or the full faith and credit of the unit of
4 local government is pledged; however, a tax for the payment
5 of interest or principal on those bonds shall be made only
6 after the governing body of the unit of local government
7 finds that all other sources for payment are insufficient to
8 make those payments; (f) made for payments under a building
9 commission lease when the lease payments are for the
10 retirement of bonds issued by the commission before March 1,
11 1995 to pay for the building project; (g) made for payments
12 due under installment contracts entered into before March 1,
13 1995; (h) made for payments of principal and interest on
14 bonds issued under the Metropolitan Water Reclamation
15 District Act to finance construction projects initiated
16 before October 1, 1991; (i) made for payments of principal
17 and interest on limited bonds, as defined in Section 3 of the
18 Local Government Debt Reform Act, in an amount not to exceed
19 the debt service extension base less the amount in items (b),
20 (c), and (e) of this definition for non-referendum
21 obligations, except obligations initially issued pursuant to
22 referendum and bonds described in subsection (h) of this
23 definition; (j) made for payments of principal and interest
24 on bonds issued under Section 15 of the Local Government Debt
25 Reform Act; (k) made for payments of principal and interest
26 on bonds authorized by Public Act 88-503 and issued under
27 Section 20a of the Chicago Park District Act for aquarium or
28 museum projects; and (l) made for payments of principal and
29 interest on bonds authorized by Public Act 87-1191 and issued
30 under Section 42 of the Cook County Forest Preserve District
31 Act for zoological park projects.

32 "Aggregate extension" for all taxing districts to which
33 this Law applies in accordance with Section 18-213, except
34 for those taxing districts subject to paragraph (2) of

1 subsection (e) of Section 18-213, means the annual corporate
2 extension for the taxing district and those special purpose
3 extensions that are made annually for the taxing district,
4 excluding special purpose extensions: (a) made for the taxing
5 district to pay interest or principal on general obligation
6 bonds that were approved by referendum; (b) made for any
7 taxing district to pay interest or principal on general
8 obligation bonds issued before the date on which the
9 referendum making this Law applicable to the taxing district
10 is held; (c) made for any taxing district to pay interest or
11 principal on bonds issued to refund or continue to refund
12 those bonds issued before the date on which the referendum
13 making this Law applicable to the taxing district is held;
14 (d) made for any taxing district to pay interest or principal
15 on bonds issued to refund or continue to refund bonds issued
16 after the date on which the referendum making this Law
17 applicable to the taxing district is held if the bonds were
18 approved by referendum after the date on which the referendum
19 making this Law applicable to the taxing district is held;
20 (e) made for any taxing district to pay interest or principal
21 on revenue bonds issued before the date on which the
22 referendum making this Law applicable to the taxing district
23 is held for payment of which a property tax levy or the full
24 faith and credit of the unit of local government is pledged;
25 however, a tax for the payment of interest or principal on
26 those bonds shall be made only after the governing body of
27 the unit of local government finds that all other sources for
28 payment are insufficient to make those payments; (f) made for
29 payments under a building commission lease when the lease
30 payments are for the retirement of bonds issued by the
31 commission before the date on which the referendum making
32 this Law applicable to the taxing district is held to pay for
33 the building project; (g) made for payments due under
34 installment contracts entered into before the date on which

1 the referendum making this Law applicable to the taxing
2 district is held; (h) made for payments of principal and
3 interest on limited bonds, as defined in Section 3 of the
4 Local Government Debt Reform Act, in an amount not to exceed
5 the debt service extension base less the amount in items (b),
6 (c), and (e) of this definition for non-referendum
7 obligations, except obligations initially issued pursuant to
8 referendum; (i) made for payments of principal and interest
9 on bonds issued under Section 15 of the Local Government Debt
10 Reform Act; and (j) made for a qualified airport authority to
11 pay interest or principal on general obligation bonds issued
12 for the purpose of paying obligations due under, or financing
13 airport facilities required to be acquired, constructed,
14 installed or equipped pursuant to, contracts entered into
15 before March 1, 1996 (but not including any amendments to
16 such a contract taking effect on or after that date).

17 "Aggregate extension" for all taxing districts to which
18 this Law applies in accordance with paragraph (2) of
19 subsection (e) of Section 18-213 means the annual corporate
20 extension for the taxing district and those special purpose
21 extensions that are made annually for the taxing district,
22 excluding special purpose extensions: (a) made for the taxing
23 district to pay interest or principal on general obligation
24 bonds that were approved by referendum; (b) made for any
25 taxing district to pay interest or principal on general
26 obligation bonds issued before the effective date of this
27 amendatory Act of 1997; (c) made for any taxing district to
28 pay interest or principal on bonds issued to refund or
29 continue to refund those bonds issued before the effective
30 date of this amendatory Act of 1997; (d) made for any taxing
31 district to pay interest or principal on bonds issued to
32 refund or continue to refund bonds issued after the effective
33 date of this amendatory Act of 1997 if the bonds were
34 approved by referendum after the effective date of this

1 amendatory Act of 1997; (e) made for any taxing district to
2 pay interest or principal on revenue bonds issued before the
3 effective date of this amendatory Act of 1997 for payment of
4 which a property tax levy or the full faith and credit of the
5 unit of local government is pledged; however, a tax for the
6 payment of interest or principal on those bonds shall be made
7 only after the governing body of the unit of local government
8 finds that all other sources for payment are insufficient to
9 make those payments; (f) made for payments under a building
10 commission lease when the lease payments are for the
11 retirement of bonds issued by the commission before the
12 effective date of this amendatory Act of 1997 to pay for the
13 building project; (g) made for payments due under installment
14 contracts entered into before the effective date of this
15 amendatory Act of 1997; (h) made for payments of principal
16 and interest on limited bonds, as defined in Section 3 of the
17 Local Government Debt Reform Act, in an amount not to exceed
18 the debt service extension base less the amount in items (b),
19 (c), and (e) of this definition for non-referendum
20 obligations, except obligations initially issued pursuant to
21 referendum; (i) made for payments of principal and interest
22 on bonds issued under Section 15 of the Local Government Debt
23 Reform Act; and (j) made for a qualified airport authority to
24 pay interest or principal on general obligation bonds issued
25 for the purpose of paying obligations due under, or financing
26 airport facilities required to be acquired, constructed,
27 installed or equipped pursuant to, contracts entered into
28 before March 1, 1996 (but not including any amendments to
29 such a contract taking effect on or after that date).

30 "Debt service extension base" means an amount equal to
31 that portion of the extension for a taxing district for the
32 1994 levy year, or for those taxing districts subject to this
33 Law in accordance with Section 18-213, except for those
34 subject to paragraph (2) of subsection (e) of Section 18-213,

1 for the levy year in which the referendum making this Law
2 applicable to the taxing district is held, or for those
3 taxing districts subject to this Law in accordance with
4 paragraph (2) of subsection (e) of Section 18-213 for the
5 1996 levy year, constituting an extension for payment of
6 principal and interest on bonds issued by the taxing district
7 without referendum, but not including (i) bonds authorized by
8 Public Act 88-503 and issued under Section 20a of the Chicago
9 Park District Act for aquarium and museum projects; (ii)
10 bonds issued under Section 15 of the Local Government Debt
11 Reform Act; or (iii) refunding obligations issued to refund
12 or to continue to refund obligations initially issued
13 pursuant to referendum. The debt service extension base may
14 be established or increased as provided under Section 18-212.

15 "Special purpose extensions" include, but are not limited
16 to, extensions for levies made on an annual basis for
17 unemployment and workers' compensation, self-insurance,
18 contributions to pension plans, and extensions made pursuant
19 to Section 6-601 of the Illinois Highway Code for a road
20 district's permanent road fund whether levied annually or
21 not. The extension for a special service area is not
22 included in the aggregate extension.

23 "Aggregate extension base" means the taxing district's
24 last preceding aggregate extension as adjusted under Sections
25 18-215 through 18-230.

26 "Levy year" has the same meaning as "year" under Section
27 1-155.

28 "New property" means (i) the assessed value, after final
29 board of review or board of appeals action, of new
30 improvements or additions to existing improvements on any
31 parcel of real property that increase the assessed value of
32 that real property during the levy year multiplied by the
33 equalization factor issued by the Department under Section
34 17-30 and (ii) the assessed value, after final board of

1 review or board of appeals action, of real property not
2 exempt from real estate taxation, which real property was
3 exempt from real estate taxation for any portion of the
4 immediately preceding levy year, multiplied by the
5 equalization factor issued by the Department under Section
6 17-30. In addition, the county clerk in a county containing
7 a population of 3,000,000 or more shall include in the 1997
8 recovered tax increment value for any school district, any
9 recovered tax increment value that was applicable to the 1995
10 tax year calculations.

11 "Qualified airport authority" means an airport authority
12 organized under the Airport Authorities Act and located in a
13 county bordering on the State of Wisconsin and having a
14 population in excess of 200,000 and not greater than 500,000.

15 "Recovered tax increment value" means, except as
16 otherwise provided in this paragraph, the amount of the
17 current year's equalized assessed value, in the first year
18 after a municipality terminates the designation of an area as
19 a redevelopment project area previously established under the
20 Tax Increment Allocation Development Act in the Illinois
21 Municipal Code, previously established under the Industrial
22 Jobs Recovery Law in the Illinois Municipal Code, or
23 previously established under the Economic Development Area
24 Tax Increment Allocation Act, of each taxable lot, block,
25 tract, or parcel of real property in the redevelopment
26 project area over and above the initial equalized assessed
27 value of each property in the redevelopment project area.
28 For the taxes which are extended for the 1997 levy year, the
29 recovered tax increment value for a non-home rule taxing
30 district that first became subject to this Law for the 1995
31 levy year because a majority of its 1994 equalized assessed
32 value was in an affected county or counties shall be
33 increased if a municipality terminated the designation of an
34 area in 1993 as a redevelopment project area previously

1 established under the Tax Increment Allocation Development
2 Act in the Illinois Municipal Code, previously established
3 under the Industrial Jobs Recovery Law in the Illinois
4 Municipal Code, or previously established under the Economic
5 Development Area Tax Increment Allocation Act, by an amount
6 equal to the 1994 equalized assessed value of each taxable
7 lot, block, tract, or parcel of real property in the
8 redevelopment project area over and above the initial
9 equalized assessed value of each property in the
10 redevelopment project area. In the first year after a
11 municipality removes a taxable lot, block, tract, or parcel
12 of real property from a redevelopment project area
13 established under the Tax Increment Allocation Development
14 Act in the Illinois Municipal Code, the Industrial Jobs
15 Recovery Law in the Illinois Municipal Code, or the Economic
16 Development Area Tax Increment Allocation Act, "recovered tax
17 increment value" means the amount of the current year's
18 equalized assessed value of each taxable lot, block, tract,
19 or parcel of real property removed from the redevelopment
20 project area over and above the initial equalized assessed
21 value of that real property before removal from the
22 redevelopment project area.

23 Except as otherwise provided in this Section, "limiting
24 rate" means a fraction the numerator of which is the last
25 preceding aggregate extension base times an amount equal to
26 one plus the extension limitation defined in this Section and
27 the denominator of which is the current year's equalized
28 assessed value of all real property in the territory under
29 the jurisdiction of the taxing district during the prior levy
30 year. For those taxing districts that reduced their
31 aggregate extension for the last preceding levy year, the
32 highest aggregate extension in any of the last 3 preceding
33 levy years shall be used for the purpose of computing the
34 limiting rate. The denominator shall not include new

1 property. The denominator shall not include the recovered
2 tax increment value.

3 (Source: P.A. 90-485, eff. 1-1-98; 90-511, eff. 8-22-97;
4 90-568, eff. 1-1-99; 90-616, eff. 7-10-98; 90-655, eff.
5 7-30-98; 91-357, eff. 7-29-99; 91-478, eff. 11-1-99.)